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1985 NEW CAR ACQUISITION SURVEY

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295 Madison Avenue, New York, N.Y. 10017
Telephone: 212-689-3200

Executive Director
ROBERT BERKE

Director of Publications
LYNNE WARSHAVSKY

Assistant Editor
LORI A. McDONOUGH

Legal Counsel
WILLARD H. DaSILVA

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New Car Acquisition Survey Reveals:

For 1985, Shift to Mid-Size

The 1985 model year will be marked by a continuing shift to mid-size cars, away from compacts, according to NAFA's annual new car acquisition survey.

NAFA Exclusive

The continuing move to mid-size units is well documented in the survey. In the 1983 model year, 26 percent of the new car acquisitions were mid-size units; in 1984 this number rose to 35 percent, and for 1985 it will increase to 54 percent of the new car orders.

A total of 250 fleets (197 sales and service fleets, along with 17 public utility fleets and 36 government fleets) participated in the survey. These fleets operate a total of 192,245 passenger cars.

The responding fleets plan to acquire the same percentage of new vehicles in the 1985 model year as they did in 1983 and 1984 — 37 percent of their total units.

In addition to the shift away from compacts and sub-compacts, the survey reveals a substantial jump in the number of large cars that will be ordered in 1985. However, it must be noted that this category includes vans.

Twenty-nine sales and service fleets say they plan to order some new mini-vans during the coming model year, although some fleet managers expressed doubts about their availability.

Manufacturing-Industrial Group

The Manufacturing-Industrial Group consists of 29 fleets operating 33,313 passenger cars (10,067 company-owned and 23,246 leased).

The current composition of these fleets is 63 percent compacts; 31 percent mid-size cars; five percent large cars, and less than one-half of one percent sub-compacts. During the 1984 model year these fleets acquired 10,892 new cars.

The fleets in the Manufacturing-Industrial Group plan to acquire 13,666 new vehicles during the 1985 model year. No fleet in the group will lease or purchase any sub-compacts in the coming model year. Of the new car orders, 47 percent will be compacts; 50 percent mid-size cars, and three percent large cars. Nearly 70 percent of all new car orders will be for middle or top-of-the-line vehicles.

(Note: This group includes one extremely large fleet that plans to acquire 5,000 new generation vans during the 1985 model year. These vehicles are not included in the overall breakdown of new vehicle acquisitions in order not to distort the results.)

Four fleets in the group plan basic changes in their vehicle policies for 1985. One fleet is switching to mini-vans; one is switching from mid-size to compact cars, while the other two are switching from compacts to mid-size cars.

Twelve fleets report they intend to order some of the new vans (about two percent of the total new car orders for 1985, although some expressed reservations about their availability). Seventy-one percent of the new car orders will be four-door sedans, with station wagons accounting for 19 percent of the new vehicle orders. Four percent of the new cars will be five-door hatchbacks, with three percent of the orders for two-door sedans. Sport models and three-door hatchbacks each will account for less than one-half of one percent of the orders.

Six fleets in the group said they plan to order some specialty cars in 1985; two fleets plan to order

Units Continuing

a handful of imports, while six fleets say they have some imports already in service.

Two fleets are making basic changes in the engines ordered for new cars — from six to four cylinder power plants. Five fleets in the group report they plan to equip at least some of their 1985 models with manual transmissions.

Three-fourths of the fleets acquiring compact cars equip them with four cylinder engines; the same percentage order their mid-size cars with six cylinder engines, while all but four fleets ordering any large cars specify an eight cylinder engine for these vehicles.

Cruise control continues to increase in popularity as an option ordered on all cars. Among the 26 fleets planning to acquire mid-size cars, 18 will have cruise control on all of them. Of the 18 fleets ordering compacts, 10 will equip all cars in this category with cruise control.

Twenty-five of the 29 fleets in the group permit the operator to choose the make of car desired (from a selector list), while 16 fleets give the driver a choice of model. In addition, 15 fleets allow the operator to add additional equipment at his or her own expense. The most common options available are power door locks, windows, and tilt steering wheel.

Four fleets in the group do not give the employee any voice (except choice of color) in the selection of the company-provided car.

Manufacturing-Consumer Group

The Manufacturing-Consumer Group participating in the annual new car acquisition survey consists of 21 fleets operating 13,340 passenger cars (5,820 leased and 7,520 company-owned).

The current composition of these fleets is two percent sub-compacts; 61 percent compacts; 32 percent mid-size, and five percent large cars. During the 1984 model year these fleets leased or purchased 4,835 new vehicles.

The fleets in the Manufacturing-Consumer Group plan to acquire 4,813 new cars during the 1985 model year. Three percent of the new cars will be sub-compacts; 16 percent compacts; 77 percent mid-size, and four percent large cars.

Three fleets in the group are planning major changes in their new car acquisition policies: one fleet is dropping sub-compacts; one is switching from large to mid-size cars, while the third is moving away from compacts to mid-size vehicles.

Eighty percent of the 1985 models the group will order will be middle line models. Top-of-the-line models will account for eight percent of the new car orders, with 12 percent for bottom line units.

Six fleets in the group plan to order some new mini-vans (about four percent of the new car orders). Four-door sedans will account for 68 percent of the new models ordered. Station wagons will take 17 percent of the orders; two-door sedans six percent; five-door hatchbacks five percent. No fleet in the group plans to order three-door hatchbacks or sport models.

Four fleets in the group say they will order some two-door specialty cars during the 1985 model year. One fleet says it will order a few imports, and seven fleets say they already have a handful of import cars in service.

The pattern of engine use in this group is similar to all others — compacts have four cylinder engines; most mid-size cars have six cylinder engines, and almost all large cars have eight cylinder engines.

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New Car Acquisition Survey

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Four fleets in the group are planning major changes in their engine specifications for 1985: two are switching from sixes to four cylinder engines, while the other two, conversely, are switching from fours to six cylinder engines. One fleet in the Manufacturing-Consumer Group plans to equip at least some of its new small cars with manual transmissions. One fleet reported that it is taking the final step in converting all its vehicles to be equipped with air conditioning as standard equipment.

"Cruise control continues its growth as an option becoming standard equipment. It will be installed on all cars of 10 and 12 fleets ordering large cars in the Manufacturing Industrial Group."

Cruise control continues its growth as an option becoming standard equipment. It will be installed on all cars of 10 of the 12 fleets ordering large cars; 16 of the 20 fleets ordering mid-size cars, and in five of the nine fleets ordering compact cars. Two of the fleets ordering sub-compacts are also specifying cruise control on all vehicles.

Seven fleets in the group give the operator no choice (except color) in the assigned fleet car. Of the 14 fleets permitting a choice, all allow the operator to select the make; eight give a choice of model, four permit the driver to select a desired engine, and one allows a choice of manual or automatic transmission. Twelve fleets permit the assigned driver to purchase additional optional equipment at his or her own expense.

Chemical & Petroleum Group

The Chemical & Petroleum Group consists of 29 fleets operating 24,479 passenger cars (7,972 leased, 16,507 company-owned). The current composition of the fleets is 11 percent compacts; 67 percent mid-size, and 22 percent large cars.

During the 1984 model year the fleets in this group acquired 6,778 new cars. They plan to acquire 7,542 new vehicles during the 1985 model year.

Two fleets in the Chemical & Petroleum Group are making major changes in their acquisition policies: one is dropping both sub-compacts and compacts, while the other is switching from mid-size to large cars because "mid-size cars are too low to the ground for off-road right-of-way inspections."

Sixty-three percent of the group's 1985 new car orders will be for mid-size units; 19 percent for compacts, and 18 percent for large cars. The Chemical & Petroleum Group has the largest percentage of large cars of any U.S. commercial fleet group. No fleet in the group is planning to acquire any sub-compacts in the coming model year.

Only six percent of the group's 1985 new cars will be top-of-the-line models; 66 percent will be middle line models, while 27 percent will be bottom line models (here, too, the Chemical & Petroleum Group is the leader, as in large cars).

Only two fleet in the group are planning to acquire any new mini-vans, less than one-half of one percent of the total new car orders. Four-door sedans will account for 94 percent of the new car acquisitions, with station wagons getting about

"The Chemical & Petroleum Group has the largest percentage of large cars of any U.S. commercial fleet group."

five percent of the orders, and two-door sedans one percent. No fleet in the group is planning to order any three-door hatchbacks or sport models.

No fleet that responded to the new car acquisition survey is planning to acquire any two-door specialty models. One fleet reports it will order a few imports, while two fleets have a few imports currently in service.

Two fleets in the group will change their engine specifications for 1985 models — one is switching away from eights to four and six cylinder engines, while the other is switching from sixes to fours.

(Continued on page 10)

Changes in NAFA Car Size Categories (Weight/Wheelbase)

Year	Sub-Compact	Compact	Mid-Size	Large
1979	Under 100" Under 2,500 lbs.	100-106" 2,500 - 3,000	106-114" 3,001 - 3,500	Over 114" Over 3,501
1981	Under 100" Under 2,300 lbs.	100-106" 2,300 - 2,799	106-114" 2,800 - 3,399	Over 114" Over 3,400
1983*	Under 99" Under 2,199 lbs.	100-104" 2,200 - 2,599	105-108" 2,600 - 3,199	Over 108" Over 3,200

* 1985 categories remain the same.

New Car Acquisition Survey

(Continued from page 8)

Three fleets report they are planning to order some of their 1985 models with manual transmissions.

At the present time, almost all compacts in this group's fleets are equipped with four cylinder engines; 60 percent of the mid-size cars have six cylinder engines; 25 percent have four cylinder engines, and 15 percent have eight cylinder engines. Nineteen of the 23 fleets ordering large cars will specify an eight cylinder engine for those vehicles.

"In the Drug & Cosmetic Group, often a trendsetter, tilt steering wheel is becoming almost as frequent as an option ordered for every car as cruise control."

As in other groups, cruise control continues to grow as an option becoming standard equipment. Among 18 fleets ordering large cars, it will be standard on 14 of them. Of the 20 fleets planning to acquire mid-size cars, 13 will specify cruise control on all vehicles, as will four of the six fleets acquiring compact cars during the 1985 model year.

Twenty-five of the 29 fleets in the Chemical & Petroleum Group give the operator some voice in the new vehicle selection process. Twenty-four permit choice of the make of car; 12 allow a choice of model; eight permit the operator to choose the engine; three the transmission, and eight fleets permit extra equipment to be added to the employee's expense. Only four fleets in the group give the operator no voice in the selection of the company-provided car.

Drug & Cosmetic Group

Thirty-two fleets operating 25,728 passenger cars (24,189 leased, 1,539 company-owned) make up the Drug & Cosmetic Group participating in the annual new car acquisition survey. The current composition of these fleets is two percent sub-compacts; 21 percent compacts; 70 percent mid-size, and seven percent large cars.

The fleets in the Drug & Cosmetic Group acquired 10,302 new cars during the 1984 model year. They plan to lease or purchase 10,146 new vehicles during the 1985 model year. Of their new car acquisitions, one percent will be sub-compacts; 11 percent will be compacts; 83 percent will be mid-size, and five percent will be large cars. No fleet in the group is planning any basic change in its fleet car policy, although the trend to mid-size cars is growing stronger.

Three fleets in the group are planning to add some new mini-vans during the coming model year. Sixty-six percent of the new car orders will be for four-door sedans; 23 percent for two-door sedans (the highest percentage of any group); five percent for station wagons; three percent for five-door hatchbacks, and one percent each for three-door hatchbacks and sport models.

Nine fleets in the group plan to order two door specialty models. Five fleets say they plan to acquire some imports in the 1985 model year, while 11 fleets report they already have some imports in service.

Ninety-three percent of the group's new car orders will be middle or top-of-the-line models, with only seven percent for bottom line models.

Four cylinder engines are almost the unanimous choice of the group for their compact cars; while a large majority plan to use six cylinder engines in their mid-size cars, and a smaller majority will equip their large cars with eight cylinder engines.

Four fleets in the Drug & Cosmetic Group are planning major engine changes for 1985 — two are switching from six cylinder engines to four's, while the other two are going the other way, switching fours to sixes.

Two fleets in the group will be equipping at least some of their 1985 compacts and mid-size cars with manual transmissions.

In the Drug & Cosmetic Group, often a trendsetter, tilt steering wheel is becoming almost as frequent an option ordered for every car as cruise control. For example, among the 18 fleets ordering large cars, 12 are ordering all cars with tilt wheel and 15 are equipping them with cruise control. Among the 31 fleets ordering mid-size cars, 11 plan to equip them with tilt wheel and 13 with cruise control.

Twenty-nine of the 32 fleets in the group give the operator a choice of make or model new car to be ordered; only three do not give the employee a voice in the new car selection process. Of the 29 offering a choice, 25 fleets permit a choice of make of car; 21 allow the operator to select the model desired; two permit a choice of engine, and three the type of transmission desired. Twenty-six fleets permit assigned operators to add additional items of optional equipment to the vehicle — at their personal expense.

Food & Beverage Group

The Food & Beverage Group consists of 23 fleets operating 12,378 passenger cars (9,109 company-

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U.S. Composite Fleet
(Excluding Government & Public Utility Cars)

Number of Fleets Responding	197
Number of Vehicles	149,365
Average Fleet Size	758
Current Composition of Composite Fleet:	
Sub-Compacts	30
Compacts	311
Mid-Size	349
Large	68

New Car Acquisition Survey

(Continued from page 10)

owned, 3,269 leased). The current composition of these fleets is compacts — 26 percent; mid-size cars — 69 percent; large cars — five percent. There are fewer than one-half of one percent sub-compact cars in the group's total fleet.

During the 1984 model year these fleets acquired 5,067 new cars. In the 1985 model year they plan to acquire 4,866 new vehicles. Of the new cars to be ordered, 66 percent will be mid-size cars; 30 percent will be compacts, and three percent will be large cars. Again, less than one-half of one percent will be sub-compacts. They are being ordered by only two fleets in the group.

Four fleets in the Food & Beverage Group say they plan to order new mini-vans during the 1985 model year. Seventy-five percent of their orders will go to four-door sedans; 10 percent for two-door sedans; six percent for sport models; three percent for station wagons, and one percent for each three-door and five-door hatchbacks.

Middle line cars will account for 80 percent of the group's new vehicle orders, with 12 percent going for top-of-the-line models, and eight percent for bottom line cars.

Four fleets plan to order some two door specialty cars in 1985. One fleet plans to acquire a handful of imports in the coming model year, while nine fleets report they already have some imports in service.

"Two fleets in the Food and Beverage Group are planning major policy changes in engine use for 1985 — both switching from six cylinder power plants to four cylinder engines."

Practically every fleet in the group equips its compact cars with a four cylinder engine. Six cylinder engines outnumber fours by two to one in the mid-size category, while eights barely outnumber sixes in the large car category.

Two fleets in the group are planning major policy changes in engine use for 1985 — both switching from six cylinder power plants to four cylinder engines. One fleet, in addition, is switching to manual transmissions.

Of the 19 fleets ordering mid-size cars, 15 will equip all vehicles with cruise control and nine with tilt steering wheel. Among the 13 fleets ordering large cars, nine will have cruise control in all cars, while eight will order them with tilt wheel.

Fifteen fleets in the Food & Beverage Group give the assigned operator a choice of make or model car desired. Eight fleets do not permit the driver a choice, except for color. Of the 15 fleets giving a choice, 14 allow the driver to select the make of car desired; six permit choice of model; four allow a choice of transmission, and one the car's engine. Seven fleets in the group allow the employee additional items of optional equipment at his or her expense.

Insurance Group

The Insurance Group consists of 39 fleets operating 34,762 passenger cars (21,048 company-owned, 13,714 leased). The current composition of these fleets is sub-compacts, 13 percent; compacts, 58 percent; mid-size, 27 percent, and large cars, two percent.

During the 1984 model year these fleets acquired 12,677 new cars. In 1985 they plan to lease or purchase 12,236 new vehicles. Of their new vehicle acquisitions, 16 percent will be sub-compacts (the highest percentage of any commercial group); 46 percent compacts; 36 percent, mid-size, and two percent large cars. Only two fleets in the Insurance Group are planning basic changes in their new car policy — one is switching to mid-size units from compacts, while the other is going in the opposite direction, from mid-size to compact cars.

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U.S. Commercial Fleet Summary

Group	Number of Cars	Owned	Leased	Current Composition				1984 New Car Acquisitions	1985 Planned New Car Acquisitions				
				Sub-Compact	Compact	Mid-Size	Large			Sub-Compact	Compact	Mid-Size	Large
Drug & Cosmetics (32)	25,728	1,539	24,189	376	5,467	18,025	1,860	10,302	10,146	100	1,106	8,472	468
Food & Beverage (23)	12,378	9,109	3,269	60	3,199	8,531	588	5,067	4,866	9	1,492	3,200	165
Manufacturing—Consumer (21)	13,340	7,520	5,820	250	8,202	4,207	681	4,835	4,813	155	784	3,698	176
Manufacturing—Industrial (39)	33,313	10,067	23,246	211	21,064	10,283	1,755	10,892	13,666	—	4,110	4,290	266
Chemical & Petroleum (29)	24,479	16,507	7,972	—	2,590	16,360	5,529	6,778	7,542	—	1,462	4,718	1,362
Insurance (39)	34,762	21,048	13,714	4,487	20,098	9,400	777	12,677	12,236	1,915	5,627	4,433	261
Miscellaneous (14)	5,365	1,628	3,737	40	950	1,887	2,488	1,774	1,743	—	126	811	806
Totals (197)	149,365	67,418	81,947	5,424	61,570	68,693	13,678	52,325	55,012	2,179	14,707	29,622	8,504

New Car Acquisition Survey

(Continued from page 12)

Two fleets in the group say they plan to acquire a few mini-vans during the 1985 model year. Seventy-six percent of the new car orders will be four-door sedans. Two-door sedans will account for 13 percent of the orders; five-door hatchbacks will give nine percent of the new car orders, while station wagons will account for only one percent, and three-door hatchbacks for less than one-half of one percent. No fleet in the group plans to order any sport models.

Eighty percent of the new cars will be middle line models; 15 percent will be top-of-the-line cars, and only five percent will be bottom line cars.

"In discussing engine use, every fleet in the Insurance Group uses a four-cylinder engine in its sub-compacts, with the same size engine the overwhelming favorite for compacts as well.

Two fleets in the Insurance Group say they will order a few two-door specialty models. No fleet is planning to purchase or lease any imports during the 1985 model year, although four fleets do have some imports already in service.

In discussing engine use, every fleet in the group uses a four cylinder engine in its sub-compacts, with the same size engine the overwhelming favorite for compacts, as well. The majority of mid-size cars have six cylinder engines, and the V-8 is still the most popular engine for the few large cars in the insurance companies fleets.

Two fleets in the group are switching to four cylinder engines for the 1985 model year. No fleet is planning to use any large engines than are now

"Twelve fleets in the Insurance Group allow employees assigned a company-provided car to purchase at their expense additional items of optional equipment."

in use. One fleet of the 39 in the group is planning to order its 1985 models with manual transmissions.

Of the 28 fleets that will order compacts in 1985, 16 will equip them with cruise control; seven will also include a tilt steering wheel as standard equipment. Twenty-one fleets will be ordering mid-size cars. Among these fleets, 15 will include cruise control as standard equipment on all cars in this category while 11 will include tilt wheel as standard equipment. Among the eight fleets ordering some large cars, seven fleets specify cruise control as standard equipment and six will include tilt wheel. Only two of the five fleets ordering sub-compacts will equip those vehicles with cruise control and only one adds the tilt wheel as standard equipment.

Of the 39 fleets in the Insurance Group, 26 give the assigned driver some choice in the new car selection; 13 do not allow any choice. Of the 26 permitting some choice, 22 allow a choice of make of car; 13 give a choice of model; two permit the operator to decide on the transmission, and one permits a choice of engine. Twelve fleets allow employees assigned a company-provided car to purchase at their expense additional items of optional equipment.

U.S. Composite Survey Fleet

1980-1984 Model Years
(Excluding Government & Public Utility Fleets)

	1980	1981	1982	1983	1984
Number of Cars in Fleet	794	750	762	632	758
Current Composition of Fleet					
Sub-Compacts	24	15	23	12	30
Compacts	234	348	404	323	311
Mid-Size	429	420	282	240	349
Large	103	67	53	57	68
Actual Acquisitions in Previous Year	303	284	274	211	266
Planned New Car Acquisitions in Coming Model Year	308	302	284	232	279
Sub-Compacts	31	21	19	2	11
Compacts	154	205	185	133	75
Mid-Size	108	67	74	81	151
Large	15	9	6	16	42

Miscellaneous Group

The Miscellaneous or "Other" Group (composed of those fleets that do not belong to any of the standard categories) consists of 14 fleets operating 5,365 vehicles (1,628 company-owned, 3,737 leased).

The current composition of these fleets is one percent sub-compacts; 17 percent compacts; 35 percent mid-size cars, and 47 percent large vehicles, including a substantial percentage of vans.

The group acquired 1,774 new vehicles in 1984 and plans to acquire 1,743 during the 1985 model year. Seven percent of the new vehicles will be compacts; 47 percent will be mid-size cars, and 46 percent will be large vehicles. More than half of the large vehicles will be vans.

Excluding the vans, 87 percent of the group's new car orders will be four-door sedans; five percent will be station wagons, with four percent two-door sedans. None of the fleets plan to order three- or five-door hatchbacks or sport models.

Two fleets plan to acquire a few two-door specialty models; one fleet will order some imports during the 1985 model year, and one fleet reports it has some imports already in service.

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New Car Acquisition Survey

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In specifying engines for its cars, the fleets in this group follow the same pattern established in other segments — four cylinder engines in compacts; six cylinders for mid-size, and eight cylinders for large cars.

To a remarkable degree, the fleets in this group are staying with their present car policies. None are planning to change the car size they order; no changes will be made in engine use, or transmissions.

Ten of the 14 fleets in this group will be acquiring large cars in 1985. Eight of the 10 will specify cruise control on all vehicles in this size category, seven are ordering the cars with tilt wheel, and all 10 are equipping their large cars with AM/FM stereo (the only group to do so). Seven of the 12 fleets ordering mid-size cars will equip all units with cruise control;,four with tilt wheel.

Only eight of the 14 fleets give the operator a choice of make or model in new car selection. Six permit no choice by the assigned driver. Of the eight fleets offering a choice, seven allow a choice of car make; four permit choice of model; three a choice of engine, and two the transmission. Five allow the driver to add optional equipment at personal expense.

Public Utilities

The Public Utility Group consists of 17 fleets operating 21,432 passenger cars (19,110 company-owned, 2,322 leased). The current composition of these fleets is 25 percent sub-compacts; 48 percent compacts; 24 percent mid-size, and three percent large cars.

During the 1984 model year these fleets acquired 2,524 new vehicles. They plan to acquire 3,408 passenger cars and vans during the 1985 model year.

Four fleets in the Public Utility Group are planning major changes in their car policies — one is switching to sub-comapcts from compacts; one is switching from large to compacts; one is moving from large to mid-size, and the final fleet is moving from mid-size to compact cars.

Seventy-three percent of the group's 1985 new car acquisitions will be compact cars; 13 percent will be sub-compacts; 12 percent will be mid-size cars, and two percent large cars. More than 70 percent of the new car acquisitions will be middle line models, with only two percent of the vehicles top-of-the-line models.

Three fleets in the group are planning to order some new mini-vans during the coming year (only slightly more than one percent of the total new car orders). Four-door sedans will account for 90 percent of the new car orders, with five-door hatchbacks accounting for eight percent. One percent of the orders will be for station wagons.

No fleet in the Public Utility Group is planning to order any two-door specialty models or acquire any imports during the coming model year. However, two fleets did report they had some imports already in service.

The Public Utility fleets participating in the annual new car acquisition survey followed the same pattern in engine use as the other segments of the survey: four cylinder engines in sub-compacts and compacts; six cylinder engines in mid-size cars, and eight cylinder engines in their few large cars.

> ***"Three fleets in the Public Utility Group are planning to order some new mini-vans during the coming year (only slightly more than one percent of the total new car orders.)"***

Two fleets are planning major changes in their engine policy for 1985. One is switching from fours to sixes in their mid-size cars, while the other is switching to the smaller four cylinder engine. One fleet plans to order manual transmissions with its four cylinder engine cars. One other fleet plans to decrease the number of cars it orders with air conditioning.

None of the public utility fleets permit the operator to add optional equipment to the specified fleet car, and none give the employee any choice in the vehicle selection.

The fleets ordering large cars equip them completely. Seven of the 11 fleets ordering these vehicles include tilt wheel as standard equipment, while eight order the cars with cruise control. Seven of the 13 fleets ordering mid-size vehicles equip all units with cruise control.

Government Group

The Government Group consists of 36 fleets operating 21,448 passenger cars. Within the group we have divided the participating fleets into three segments — law enforcement, government agencies other than law enforcement, and educational institutions.

The Law Enforcement segment consists of 14 fleets operating 9,437 passenger cars (31 vehicles are leased, 9406 are agency-owned). Eighty-four percent of the vehicles are large cars; 15 percent are mid-size vehicles, and less than one-half of one percent each are compacts and sub-compacts.

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New Car Orders By Body Style — U.S. Fleets
(Percentage of New Car Orders)

3-door hatchback	*
5-door hatchback	4%
Station Wagon	7%
2-door sedan	10%
4-door sedan	74%
Sport Model	1%
Van	3%

*Mentioned, but less than ½ percent. (Total may not equal 100% due to rounding.)

Summary of Options On All Cars

Group	AM/FM Stereo	Power Disc Brakes	Power Steering	Automatic Trans.	S/B/R Tires	Air Cond.	Tinted Glass	Vinyl Roof	Tilt Wheel	Power Door Locks	Power Windows	Cruise Control
Drug & Cosmetics												
Large(18)	15	*	*	*	15	17	16	10	12	13	13	15
Mid-Size (31)	22	30	31	31	29	31	29	2	11	1	—	13
Compact (12)	8	10	12	12	12	12	11	1	2	—	—	5
Sub-Compact (2)	—	2	2	2	2	2	2	—	—	—	—	—
Food & Beverage												
Large (13)	9	*	*	*	11	12	9	7	8	9	9	9
Mid-Size (19)	13	17	19	18	17	19	17	1	9	1	—	15
Compact (12)	4	11	11	12	10	12	10	2	3	—	—	6
Sub-Compact (2)	—	1	2	2	2	2	1	—	—	—	—	—
Insurance												
Large (8)	8	*	*	*	8	8	8	4	6	5	5	7
Mid-Size (21)	12	20	21	20	18	21	21	2	11	1	3	15
Compact (28)	13	26	27	26	22	27	27	—	7	—	1	16
Sub-Compact (5)	4	5	5	5	5	5	5	—	1	—	1	2
Manufacturing-Industrial												
Large (17)	13	*	*	*	15	15	16	9	13	10	10	14
Mid-Size (26)	23	25	26	26	25	24	25	—	7	—	—	18
Compact (19)	12	17	18	18	17	17	17	—	4	—	—	10
Sub-Compact (5)	3	4	4	4	3	4	4	—	—	—	—	4
Manufacturing-Consumer												
Large (12)	12	*	*	*	11	12	11	5	6	7	6	10
Mid-Size (20)	15	18	20	19	14	20	19	2	3	4	4	16
Compact (9)	7	9	9	8	6	9	9	—	1	1	—	5
Sub-Compact (4)	3	4	4	3	3	4	4	1	1	—	—	2
Chemical & Petroleum												
Large (18)	15	*	*	*	11	16	16	3	5	6	5	14
Mid-Size (20)	10	18	18	17	15	20	19	—	4	1	1	13
Compact (6)	2	5	6	5	5	6	6	1	2	1	—	4
Sub-Compact (—)	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous												
Large (10)	10	*	*	*	10	10	10	6	7	7	5	8
Mid-Size (12)	8	12	12	12	11	12	12	—	4	3	1	7
Compact (5)	3	5	5	5	5	5	5	—	—	1	—	1
Sub Compact (2)	2	2	2	2	2	2	2	—	—	—	—	—
Public Utility												
Large (11)	9	*	*	*	7	10	10	4	7	6	5	8
Mid-Size (13)	6	13	13	11	8	11	12	1	3	2	3	7
Compact (12)	2	10	12	10	7	11	10	—	—	—	—	3
Sub-Compact (5)	—	2	4	5	1	4	3	—	—	—	—	—
Law Enforcement Government, Education												
Large (22)	6	*	*	*	12	16	18	1	7	4	6	9
Mid-Size (26)	5	24	23	23	17	20	21	—	5	3	2	12
Compact (18)	3	13	14	13	12	12	14	—	1	1	2	7
Sub-Compact (13)	13	6	9	12	8	9	10	—	—	1	1	5

NOTE: The figure in ( ) beside the car size indicates the number of fleets in each group ordering that size car. The number under the items of equipment is the number of fleets in each group ordering the item for every car of that size at no expense to the operator.

*Standard equipment on Large cars.

'Initial Cost' Outranks Economy in Importance

For the first time in six years, "Economy of Operation" is not the most important factor in fleet car selection, according to 250 NAFA members who participated in the Association's annual new car acquisition survey.

One question in the new car survey asked fleet managers to rank six factors in fleet car selection in the order of importance to them. The six factors are Economy of Operation, Initial Cost, Depreciation/Resale Value, Serviceability (defined as freedom from down time), Fringe Benefit, and Prestige.

Chosen as the most important factor in the current survey was "Initial Cost." In second place was "Depreciation/Resale Value," while "Economy of Operation" dropped from first to third place. "Serviceability" remained in its usual fourth position, with "Prestige" and "Fringe Benefit" far behind in fifth and sixth place, respectively.

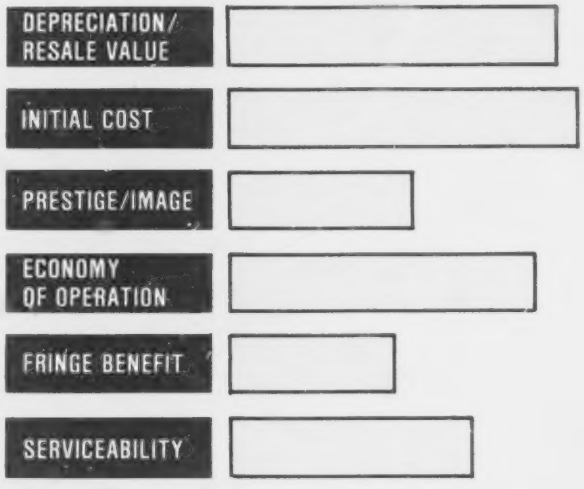
An examination of the ratings by specific industry groupings reveals some interesting differences. In five groups — Chemical & Petroleum, Manufacturing-Industrial, Manufacturing-Consumer, Miscellaneous, Public Utility, and Government — initial cost was ranked as the most important factor in fleet car selection.

Two groups — Insurance and Food and Beverage — rated economy of operation as the single most important factor in the selection process. One industry group — Drug & Cosmetics — rated depreciation/resale as the number one factor.

The ratings for each group are:

Manufacturing-Consumer: 1, initial cost; 2, economy of operation; 3, depreciation/resale value; 4, serviceability; 5, prestige, and 6, fringe benefit.

Chemical & Petroleum: 1, initial cost; 2, depreciation/resale value; 3, economy of operation; 4, serviceability; 5, prestige, and 6, fringe benefit.



Insurance: 1, economy of operation; 2, depreciation/resale value; 3, initial cost; 4, serviceability; 5, fringe benefit, and 6, prestige.

Manufacturing-Industrial: 1, initial cost; 2, depreciation/resale value; 3, economy of operation; 4, serviceability; 5, prestige, and 6, fringe benefit.

Drug & Cosmetics: 1, Depreciation/resale value; 2, initial cost; 3, economy of operation; 4, serviceability; 5, prestige, and 6, fringe benefit.

Food & Beverage: 1, economy of operation; 2, initial cost; 3, serviceability; 4, depreciation/resale value; 5, prestige, and 6, fringe benefit.

Miscellaneous: 1, initial cost; 2, depreciation/resale value; 3, economy of operation; 4, serviceability; 5, fringe benefit, and 6, prestige.

Public Utility: 1, initial cost; 2, economy of operation; 3, serviceability; 4, depreciation/resale value; 5, prestige, and 6, fringe benefit.

Government: 1, initial cost; 2, economy of operation; 3, serviceability; 4, depreciation/resale value; 5, prestige, and 6, fringe benefit.

New Car Acquisition Survey

(Continued from page 16)

During the 1984 model year the Law Enforcement Group fleets acquired 3,472 new vehicles. They plan to acquire 3,485 vehicles during the 1985 model year. Eighty percent of the new car orders will be for large cars; 20 percent for mid-size cars. One fleet in the group is planning a change in its vehicle policy — a number of its new car orders will be for mid-size units, rather than all large cars as in previous years.

The orders for large cars are fairly evenly divided between bottom, middle, and top-of-the-line models. Ninety-nine percent of the new car orders will be for four-door sedans, with one percent for two-door sedans. Two fleets say they plan to order a few new mini-vans (less than one-half of one percent of the total orders).

The overwhelming majority of police cars are equipped with eight cylinder engines, except for a few compacts and mid-size cars with six cylinder engines.

None of the police fleets is planning any major changes in its engine policy for the coming year, and, as might be expected, none of them gives its officers who drive the cars any choice in their selection process.

The non-police segment of the Government Group consists of 15 fleets operating 10,970 passenger cars (47 of them are leased). The current composition of these fleets is six percent sub-

(Continued on page 62)

FHWA Study Claims:

Compacts Cost 3¢ Less Per Mile To Operate than Large Cars

Operating expenses — fuel, oil, repairs and maintenance, and tire replacement — for a 1984 model-year compact car, driven 40,700 miles over three years, would be .0580 cents per mile, according to the most recent report from the Federal Highway Administration (FHWA).

In contrast, the operating expenses for a large car would be .0905 cents a mile. For an intermediate car the expenses would be .0731 cents a mile, while, for a sub-compact, the operating expenses would amount to .0552 cents a mile.

These figures were extracted from the "Cost of Owning and Operating Automobiles and Vans 1984," published by the Office of Highway Planning, Highway Statistics Division, Federal Highway Administration.

Based on 12-Year Car Life

The government study is based on an anticipated car life of 12 years and 120,000 miles of driving, with the number of miles driven declining each year. The government's starting point is 14,500 miles for the first year, 13,700 miles during the second year, and 12,500 miles in the third year.

Five American-made vehicles were chosen for the study: a large-size four-door sedan (Table 1), an intermediate-size two-door coupe (Table 2), a compact car (Table 3), a subcompact car (Table 4), and a 12-passenger van (Table 5).

The large car, weighing more than 3,500 pounds, is equipped with an 8-cylinder engine, automatic transmission, power steering and brakes, and air conditioning. It costs $11,554.

The intermediate car, weighing between 3,000 and 3,500 pounds, is equipped with a 6-cylinder engine, automatic transmission, power steering and brakes, and air conditioning. It costs $10,320.

The compact car, weighing between 2,500 and 3,000 pounds, is equipped with a 4-cylinder engine, automatic transmission, power brakes, and air conditioning. It costs $8,799.

The sub-compact car, weighing less than 2,500 pounds, is equipped with a 4-cylinder

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Table 1
Estimated Cost of Owning and Operating
A Large-Size 1984 Model Automobile
(Total Costs in Dollars, Costs Per Mile in Cents)

Item	First Year (14,500 Miles)		Second Year (13,700 Miles)		Third (12,500 Miles)	
	Total Cost	Cost Per Mile	Total Cost	Cost Per Mile	Total Cost	Cost Per Mile
Cost Excluding Taxes						
Depreciation	2,879.00	19.86	1,776.00	12.96	1,545.00	12.36
Scheduled Maintenance	(86.18)	(.59)	(110.55)	(.81)	(149.60)	(1.19)
Nonscheduled Repairs and Maintenance	(14.00)	(.10)	(62.36)	(.45)	(341.10)	(2.73)
Total Repairs and Maintenance	100.15	.69	172.91	1.26	490.70	3.92
Replacement Tires	19.54	.13	18.41	.13	27.30	.22
Accessories	14.12	.10	13.47	.10	12.56	.10
Gasoline	992.76	6.85	938.07	6.85	855.89	6.85
Oil	8.75	.06	15.75	.12	15.75	.13
Insurance	635.00	4.38	635.00	4.64	635.00	5.08
Parking and Tolls	136.56	.94	128.66	.94	117.37	.94
Total	4,785.88	33.01	3,698.27	27.00	3,699.57	29.60
Taxes and Fees						
State						
Gasoline	115.14	.79	108.80	.79	99.27	.79
Registration	20.00	.14	20.00	.15	20.00	.16
Titling	577.70	3.98	—	—	—	—
Operating Cost Sales Tax 2/	(.10)	—	(1.27)	(.01)	(14.57)	(.12)
Nonoperating Cost Sales Tax	(1.35)	(.01)	(3.51)	(.02)	(4.44)	(.03)
Total Sales Tax	1.45	.01	4.78	.03	19.01	.15
Subtotal	714.29	4.93	133.58	.97	138.28	1.10
Federal						
Gasoline	76.76	.53	72.53	.53	66.18	.53
Total Taxes	791.05	5.45	206.11	1.50	204.46	1.63
Operating Costs	1,363.61	9.40	1,345.85	9.82	1,537.43	12.30
Ownership Costs	4,213.32	29.06	2,558.53	18.68	2,366.60	18.93
Total of All Costs	5,576.93	38.46	3,904.38	28.50	3,904.03	31.23

Where costs per mile are less than .005 cents, a dash (—) appears in the column.

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FHWA Study

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engine, and standard transmission, and costs $7,024.

The passenger van, weighing less than 5,000 pounds, is equipped with an 8-cylinder engine, automatic transmission, power steering and brakes, dual air conditioning and heating, and costs $12,788.

The federal report, intended for the general public, carefully makes a point that every fleet manager lives with every day: "Most owners think of costs only in terms of outlays for gasoline, oil, tires and tolls. A more careful examination shows that some costs occur whether or not the vehicle is driven, while others are directly related to the amount of travel. The travel-related group is generally referred to as operating costs and the other group is ownership costs."

Ownership Costs

Ownership costs include depreciation, insurance, registration and titling fees, scheduled maintenance, and any taxes applied to these items. No matter how little a vehicle is driven, some portion of each of these items is incurred.

According to FHWA, "Depreciation is the loss in value of the vehicle during its lifetime due to passage of time, its mechanical and physical condition, and the number of miles it is driven.

"It is the single greatest cost of owning and operating most passenger vehicles during a 12-year life span; however, the cost of gas and maintenance are also significant. In the majority of cases, the age of the vehicle is the most important factor in determining resale or trade-in value. Such factors as mileage, brand popularity, body style, size, and color are also considered. For large cars and vans, by far the largest dollar depreciation occurs in the first few years. For smaller cars, the depreciation is spread more evenly over the years. Since newer vehicles are

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FHWA Study

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assumed to be driven more miles than older vehicles, the depreciation cost on a per-mile basis is held down during the first few years.

Operating costs, according to the report, "include repairs and maintenance, gasoline, oil, tires, parking, tolls, and the taxes applied to these items."

It is interesting to note that by projecting the government's estimated operating expenses for intermediate and compact cars, based on a three-year period, or driving 40,700 miles, brings them close to the operating expenses reported by NAFA members in the 1983 operating expense study conducted by the Association:

Operating Expenses

Car Size	NAFA	FHWA
Intermediate or Mid-Size	.0865	.0731
Compact	.0695	.0580

The operating expenses, computed by the Federal Highway Administration, are based on these projected miles per gallon fuel efficiencies: large cars — 17; intermediate cars — 21; compact cars — 26; subcompact cars — 27; and passenger vans — 13 miles per gallon.

NAFA's operating expense survey, compared with the FHWA's report, reveals that the estimated miles per gallon for intermediate or mid-size cars is 20.05 and 24.1 for the compact cars.

Business Use of Car

The FHWA study is not intended to establish the basis for determining an appropriate reimbursement for costs associated with use of an employee's personal automobile for business purposes. The results of the study may be useful as a general guide for determining reimbursement rates; however, many factors, such as special requirements pertaining to purchase or upkeep of the vehicle related to use for business purposes should also be taken into account.

New legislation on the personal use of business cars, according to Touche Ross, a large accounting firm, states that: "If an automobile is not used at least 50 percent for business purposes, no investment

Table 2
Estimated Cost of Owning and Operating
An Intermediate-Size 1984 Model Automobile
(Total Costs in Dollars, Costs Per Mile in Cents)

Item	First Year (14,500 Miles)		Second Year (13,700 Miles)		Third (12,500 Miles)	
	Total Cost	Cost Per Mile	Total Cost	Cost Per Mile	Total Cost	Cost Per Mile
Cost Excluding Taxes						
Depreciation	2,385.90	16.45	1,401.00	10.23	1,213.00	9.70
Scheduled Maintenance	(65.85)	(.45)	(108.75)	(.79)	(110.65)	(.89)
Nonscheduled Repairs and Maintenance	(11.34)	(.08)	(47.79)	(.35)	(364.85)	(2.91)
Total Repairs and Maintenance	77.19	.53	156.54	1.14	475.50	3.80
Replacement Tires	15.43	.11	14.54	.11	13.76	.11
Accessories	14.09	.10	13.45	.10	12.54	.10
Gasoline	803.62	5.54	759.28	5.54	692.81	5.54
Oil	8.75	.06	15.75	.12	15.75	.13
Insurance	732.00	5.05	732.00	5.34	732.00	5.85
Parking and Tolls	136.56	.94	128.66	.94	117.37	.94
Total	4,172.64	28.78	3,221.22	23.52	3,272.23	26.17
Taxes and Fees						
State						
Gasoline	93.20	.64	88.06	.64	80.35	.64
Registration	20.00	.14	20.00	.14	20.00	.16
Titling	516.00	3.56	—	—	—	—
Operating Cost Sales Tax 2/	(.10)	—	(.68)	(.01)	(11.75)	(.10)
Nonoperating Cost Sales Tax	(1.34)	—	(3.16)	(.02)	(1.27)	(.01)
Total Sales Tax	1.44	.01	3.84	.03	13.02	.11
Subtotal	630.64	4.35	111.90	.82	113.01	.91
Federal						
Gasoline	62.14	.43	58.71	.43	53.53	.43
Total Taxes	692.78	4.78	170.61	1.24	166.90	1.34
Operating Costs	1,131.14	7.80	1,113.47	8.13	1,349.67	10.80
Ownership Costs	3,734.28	25.76	2,278.36	16.63	2,089.46	16.71
Total of All Costs	4,865.42	33.56	3,391.83	24.76	3,439.13	27.51

credit will be allowed and depreciation for the business portion will be computed on the straight-line method over five years.

"An employee will not be eligible for investment credit or depreciation deductions on personal automobiles used in business unless the use of the car is a condition of employment. Rules are also provided to restrict rental deductions for leased automobiles. However, taxpayers are still entitled to take automobile deductions based on a standard mileage rate, currently 20.5 cents per mile of business use up to 15,000 miles. Effective date: Automobiles placed in service after June 18, 1984, with an exception for binding contracts prior to that date."

Touche Ross goes on to explain that "taxpayers will be required to keep contemporaneous records (a log) for business

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Table 3
Estimated Cost of Owning and Operating
A Compact-Size 1984 Model Automobile
(Total Costs in Dollars, Costs Per Mile in Cents)

Item	First Year (14,500 Miles)		Second Year (13,700 Miles)		Third (12,500 Miles)	
	Total Cost	Cost Per Mile	Total Cost	Cost Per Mile	Total Cost	Cost Per Mile
Cost Excluding Taxes						
Depreciation	1,595.00	11.00	1,105.00	8.07	1,005.00	8.04
Scheduled Maintenance	(34.80)	(.24)	(108.95)	(.80)	(92.15)	(.74)
Nonscheduled Repairs and Maintenance	(9.50)	(.07)	(45.45)	(.33)	(217.70)	(1.74)
Total Repairs and Maintenance	44.30	.31	154.40	1.13	309.85	2.48
Replacement Tires	12.57	.09	11.08	.08	10.81	.08
Accessories	17.13	.12	16.32	.12	15.16	.12
Gasoline	649.05	4.48	613.31	4.48	559.53	4.48
Oil	8.75	.06	15.75	.11	15.75	.13
Insurance	537.00	3.70	537.00	3.92	537.00	4.30
Parking and Tolls	136.56	.94	128.66	.94	117.37	.94
Total	3,000.36	20.70	2,581.52	18.85	2,570.47	20.57
Taxes and Fees						
State						
Gasoline	75.28	.52	71.13	.52	64.89	.52
Registration	20.00	.14	20.00	.15	20.00	.16
Titling	439.95	3.03	—	—	—	—
Operating Cost Sales Tax 2/	(1.13)	—	(.68)	—	(8.80)	(.07)
Nonoperating Cost Sales Tax	(1.43)	(.01)	(2.78)	(.02)	(3.64)	(.03)
Total Sales Tax	1.56	.01	3.46	.02	12.44	.10
Subtotal	536.79	3.70	94.59	.69	97.33	.78
Federal						
Gasoline	50.18	.34	47.42	.34	43.26	.34
Total Taxes	586.97	4.04	142.01	1.03	140.59	1.12
Operating Costs	942.02	6.50	933.48	6.81	1,038.11	8.31
Ownership Costs	2,645.31	18.24	1,790.05	13.07	1,672.95	13.38
Total of All Costs	3,587.33	24.74	2,723.53	19.88	2,711.06	21.69

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FHWA Study

(Continued from page 49)

use of automobiles and other personal property. Similar records must be kept for traveling expenses, expenses for the production of income, entertainment expenses and business gifts. If a deduction is claimed without adequate records, a negligence penalty can be imposed in addition to disallowance of the deductions." ■

Table 4
Estimated Cost of Owning and Operating
A Subcompact-Size 1984 Model Automobile
(Total Costs in Dollars, Costs Per Mile in Cents)

Item	First Year (14,500 Miles)		Second Year (13,700 Miles)		Third (12,500 Miles)	
	Total Cost	Cost Per Mile	Total Cost	Cost Per Mile	Total Cost	Cost Per Mile
Cost Excluding Taxes:						
Depreciation	903.00	6.23	888.00	6.48	832.00	6.66
Scheduled Maintenance	(27.65)	(.19)	(73.30)	(.54)	(110.50)	(.89)
Nonscheduled Repairs and Maintenance	(8.50)	(.06)	(39.95)	(.29)	(318.85)	(2.55)
Total Repairs and Maintenance	36.15	.25	113.25	.83	429.35	3.44
Replacement Tires	11.67	.08	[illegible].00	.08	11.03	.09
Accessories	14.62	.10	13.95	.10	13.00	.10
Gasoline	625.07	4.31	590.61	4.31	538.82	4.31
Oil	7.00	.05	14.00	.10	14.00	.11
Insurance	635.00	4.38	635.00	4.64	635.00	5.08
Parking and Tolls	136.56	.94	128.66	.94	117.37	.94
Total	2,369.07	16.34	2,394.47	17.48	2,590.57	20.73
Taxes and Fees:						
State:						
Gasoline	72.50	.50	68.50	.50	62.49	.50
Registration	20.00	.14	20.00	.15	20.00	.16
Titling	351.20	2.42	—	—	—	—
Operating Cost Sales Tax 2/	(.13)	—	(1.70)	(.01)	(11.51)	(.09)
Nonoperating Cost Sales Tax	(1.33)	(.01)	(1.66)	(.01)	(5.23)	(.04)
Total Sales Tax	1.46	.01	3.36	.02	16.74	.13
Subtotal	445.16	3.07	91.86	.67	99.23	.79
Federal:						
Gasoline	48.33	.33	45.67	.33	41.66	.33
Total Taxes	493.49	3.40	137.53	1.00	140.89	1.12
Operating Costs	909.76	6.27	900.09	6.57	1,115.73	8.92
Ownership Costs	1,952.80	13.47	1,631.91	11.91	1,615.73	12.93
Total of All Costs	2,862.56	19.74	2,532.00	18.48	2,731.46	21.85

Table 5
Estimated Cost of Owning and Operating
A 1984 Model Passenger Van
(Total Costs in Dollars, Costs Per Mile in Cents)

Item	First Year (14,500 Miles)		Second Year (13,700 Miles)		Third (12,500 Miles)	
	Total Cost	Cost Per Mile	Total Cost	Cost Per Mile	Total Cost	Cost Per Mile
Cost Excluding Taxes:						
Depreciation	3,914.00	26.99	1,851.00	13.51	1,356.00	10.85
Scheduled Maintenance	(113.12)	(.78)	(248.72)	(1.82)	(126.72)	(1.01)
Nonscheduled Repairs and Maintenance	(27.00)	(.19)	(190.20)	(1.39)	(477.09)	(3.82)
Total Repairs and Maintenance	140.12	.97	438.92	3.21	603.81	4.83
Replacement Tires	16.20	.11	15.27	.11	64.01	.51
Accessories	17.40	.12	16.63	.12	15.54	.12
Gasoline	1,298.21	8.95	1,226.62	8.95	1,119.19	8.95
Oil	10.50	.07	19.25	.14	19.25	.16
Insurance	1,129.00	7.79	1,129.00	8.24	1,129.00	9.03
Parking and Tolls	136.56	.94	128.66	.94	117.37	.94
Total	6,661.99	45.94	4,825.35	35.22	4,424.17	35.39
Taxes and Fees:						
State:						
Gasoline	150.57	1.04	142.26	1.04	129.80	1.04
Registration	30.00	.21	30.00	.22	30.00	.24
Titling	639.40	4.41	—	—	—	—
Operating Cost Sales Tax 2/	(.15)	—	(7.06)	(.05)	(16.31)	(.13)
Nonoperating Cost Sales Tax	(2.02)	(.01)	(9.21)	(.07)	(1.93)	(.02)
Total Sales Tax	2.17	.01	16.27	.12	18.24	.15
Subtotal	822.14	5.67	188.53	1.38	178.04	1.43
Federal:						
Gasoline	100.38	.69	94.84	.69	86.54	.69
Total Taxes	922.52	6.36	283.37	2.07	264.58	2.12
Operating Costs	1,739.57	11.99	1,824.16	13.31	2,029.56	16.24
Ownership Costs	5,844.94	40.31	3,284.56	23.98	2,659.19	21.27
Total of All Costs	7,584.51	52.30	5,108.72	37.29	4,688.75	37.51

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New Car Acquisition Survey

(Continued from page 20)

compacts; 15 percent compacts; 42 percent mid-size, and 37 percent large cars. During the 1984 model year these fleets acquired 1,749 new cars. They plan to acquire 2,140 new vehicles during the 1985 model year.

Five percent of the new car orders will be for sub-compacts; 22 percent compacts; 44 percent mid-size, and 29 percent large cars. Sixty-nine percent of the new car orders will be for bottom line models, and only one percent for top-of-the-line models.

Ninety percent of the new car orders will be for four-door sedans; seven percent for station wagons, and three percent for five-door hatchbacks. Two of the 15 fleets say they will order a few new mini-vans during the coming model year.

Six of the 15 fleets are planning major changes in their car policies during the 1985 model year. Three are switching to compacts from sub-compacts; one is moving down from large and compacts to compacts and sub-compacts; one is going all the way from large cars to sub-compacts, while the other is moving to mid-size units from large cars.

No fleet in this segment of the government group is planning any changes in its engine or transmission policies. And, as might be expected, no fleet gives drivers or operators any voice in the new car specifications or selection process.

The Education sub-group consists of seven fleets operating 1,041 cars (all but 38 are owned by the institutions). The current composition of these fleets is sub-compacts, nine percent; compacts, 28 percent; mid-size cars, 30 percent, and large cars, 33 percent. These fleets acquired 227 new cars during the 1984 model year and plan to purchase 244 new units in 1985. Of the new units, 39 percent will be compacts; 45 percent will be mid-size, and 16 percent, large cars. None of the fleets is planning to acquire any sub-compacts in the 1985 model year. Almost all of their new cars will be middle line models.

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Sixty-seven percent of the new cars will be four-door sedans; 14 percent will be vans; 11 percent station wagons, and eight percent five-door hatchbacks.

Three of the seven fleets in the group say they plan to order some two-door specialty models in the coming year. None plans to buy or lease any imports, although one fleet did report that it had a few imports already in service.

The pattern of engine use seen in other segments is continued in this small group — four cylinder engines in sub-compacts and compacts; six cylinder engines in mid-size cars, and eight cylinder engines in their large cars.

No fleet in the group is planning any change in engine-use policy and no fleet is planning to switch to manual transmission in the 1985 model year.

Two of the seven fleets in the Education subgroup give the operator a limited choice in new car selection. One fleet permits a choice of model, while the other permits the driver to add optional equipment at personal expense. ■

Why Options Have Changed

Cruise control and door locks have gained popularity as an option ordered by fleet managers on all cars, according to NAFA's new car acquisition survey. "Ten years ago door locks weren't even considered an option on the vehicle selector list," says Hal Barton, general manager, fleet operations, Chrysler Corp.

Why the change? Barton believes that fleet vehicle options have changed because of the influx of women entering the fleet industry.

Barton based his statement on a study, recently conducted by Chrysler, which showed a large difference in option preference between male and female fleet managers. Both groups were asked which options they find "most important." Male fleet managers ranked AM/FM stereo and cruise control as most important, while female managers cited tilt wheel and door locks as most important. Women chose tilt wheel for its ease and comfort when sliding in and out of a car and door locks for security.

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